

## The Insolvency and Bankruptcy Code, 2016

### Part-II Insolvency Resolution and Liquidation for Corporate Persons

#### Chapter-II Corporate Insolvency Resolution Process

#### Section 25A: Rights and duties of authorised representative of financial creditors.

<sup>1</sup>[**25A.** (1) The authorised representative under sub-section (6) or sub-section (6A) of section 21 or sub-section (5) of section 24 shall have the right to participate and vote in meetings of the committee of creditors on behalf of the financial creditor he represents in accordance with the prior voting instructions of such creditors obtained through physical or electronic means.

(2) It shall be the duty of the authorised representative to circulate the agenda and minutes of the meeting of the committee of creditors to the financial creditor he represents.

(3) The authorised representative shall not act against the interest of the financial creditor he represents and shall always act in accordance with their prior instructions:

Provided that if the authorised representative represents several financial creditors, then he shall cast his vote in respect of each financial creditor in accordance with instructions received from each financial creditor, to the extent of his voting share:

Provided further that if any financial creditor does not give prior instructions through physical or electronic means, the authorised representative shall abstain from voting on behalf of such creditor.

<sup>2</sup>[(3A) Notwithstanding anything to the contrary contained in sub-section (3), the authorised representative under sub-section (6A) of section 21 shall cast his vote on behalf of all the financial creditors he represents in accordance with the decision taken by a vote of more than fifty per cent. of the voting share of the financial creditors he represents, who have cast their vote:

Provided that for a vote to be cast in respect of an application under section 12A, the authorised representative shall cast his vote in accordance with the provisions of sub-section (3).]

(4) The authorised representative shall file with the committee of creditors any instructions received by way of physical or electronic means, from the financial creditor he represents, for voting in accordance therewith, to ensure that the appropriate voting instructions of the financial creditor he represents is correctly recorded by the interim resolution professional or resolution professional, as the case may be.

*Explanation.-* For the purposes of this section, the "electronic means" shall be such as may be specified.]

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#### Reference

1. Ins. by the [IBC \(Second Amendment\) Act, 2018](#), w.e.f. 06.06.2018.
2. Ins. by the [IBC \(Amendment\) Act, 2019](#), w.e.f. 16.08.2019[S.O. 2953(E)].